

**ROZA IRRIGATION DISTRICT**  
**Yakima County, Washington**  
**January 1, 1994 Through December 31, 1994**

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**Schedule Of Findings**

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1. District Policies Should Address The Manner In Which Employees Report Annual And Sick Leave Time Taken

Our review of the district's payroll time reporting practices disclosed differences in the methods by which employees report annual and sick leave time taken. Employees classified as subject to the federal Fair Labor Standards Act (FLSA) report leave taken on an hourly basis, however, the district's 12 employees classified as exempt from FLSA requirements report leave taken only if they are gone for a full 8-hour work day. For partial days of leave nothing is deducted from these individuals' accrued leave balances.

RCW 87.03.460 states in part:

The board shall fix the compensation of the secretary and all other employees.

In addition, FLSA regulations (29 CFR) 541.5d *Special Provisions Applicable to Employees of Public Agencies* states in part:

(a) An employee of a public agency who otherwise meets the requirements of section 541.118 shall not be disqualified from exemption . . . On the basis that such employee is paid according to a pay system established by statute, ordinance, or regulation, or by a policy or practice established pursuant to principles of public accountability, under which the employee accrues personal leave and sick leave and which requires the public agency employee's pay to be reduced or such employee to be placed on leave without pay for absences for personal reasons or because of illness or injury of less than one work-day when accrued leave is not used by an employee . . . .

District personnel stated that they do not require their FLSA exempt employees to report partial leave days because FLSA requirements do not allow it.

Because partial leave days are not deducted from the accrued leave balances of the FLSA exempt employees, they are able to receive a greater amount of compensated leave time than other district employees. In addition, upon termination of employment, FLSA exempt employees who took partial leave days will receive a larger payoff for their accrued leave balance than a FLSA employee would receive. Since the board's written policies do not address the manner in which employees should report leave taken, we were unable to substantiate whether this additional compensation for FLSA exempt employees was authorized by the board.

We recommend that the district's policies address the manner in which employees are

required to report their annual and sick leave time taken.